

## INFORMATION REPORT

CONFIDENTIAL

COUNTRY China

SUBJECT Overseas Remittances to China

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1. The amount of overseas Chinese remittances received in Hong Kong by May 1950 is larger than that received immediately after the occupation of Canton but is still below that of previous years. A month before the Dragon Boat Festival, remittances to Hong Kong totaled about HK \$4,500,000, less than half of the figure for this period in 1949. The funds came largely from North and South America, with some smaller amounts from the Philippines, Burma, and other Southeast Asia countries.
2. Remittances in Hong Kong are received in telegraphic transfers, drafts, and checks; in pounds sterling, to be exchanged in Hong Kong for Hong Kong dollars; as commercial goods which are to be sold in Hong Kong to provide funds for forwarding to the China mainland. About thirty percent of the remittances are handled by the Communist Bank of China, the Chu Hsing Cheng (聚興誠) Bank, Ltd., the Kin Cheng (金城) Banking Corporation, the Sin Hua (新華) Trust and Savings Bank Ltd., and the Nai Yang (南洋) Commercial Bank, which the Communists have authorized as agencies for foreign exchange. Other exchange agencies, which handled about forty percent, are the Min Hsin Chu (民信局), also called Pi Chu (批局), and other private firms based in Southeast Asia, which send couriers to deliver money, news, letters, and packages from overseas Chinese to their relatives in China. Another twenty percent goes through personal or private channels, and the remaining ten is covered by commercial goods shipped in for sale.
3. The number of exchange agencies and banks authorized by the Communists is fairly large, but few of them handle amounts over US \$1,000. Figures quoted as received by Hong Kong banks for the first four months of 1950 are the following:

January	HK \$2,038,000	March	HK \$6,161,000
February	HK \$5,604,000	April	HK \$6,983,000

4. More than ninety percent of the remittances from abroad go to Kiangtung and Yunnan Provinces. In Kwangtung, the hsien receiving the largest amounts are

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CENTRAL INTELLIGENCE AGENCY

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Current Negotiations Between USIA and Intrac C.m.b.H.

5. Another indication of Intrac's loss of prestige is seen in its current negotiations with A/O Avtovelo officials. Intrac has offered to handle on behalf of A/O Avtovelo the sale of certain so-called compensation goods in Hungary provided that it is named sole representative in both Hungary and Bulgaria of products manufactured by Avtovelo firms particularly those of Austro-Fiat. USIA officials believe Intrac officials are prepared to sign a contract and would be willing to offer them some sort of sales guarantee. But despite pressure from USIA Headquarters to push the sale of surplus raw materials and products, A/O Avtovelo officials have advised Intrac that they will not sign a contract until Intrac has completed several transactions on their behalf. It is possible that this decision may have been influenced by Smurushenkov, Smurushenko's successor as Director of USIA's Central Commercial Bureau, who recently told Pshenichnikov, director of the A/O Avtovelo Sales and Purchasing Office, that Intrac now has a bad reputation. (U)

Trade with Hungary

6. USIA Headquarters has just issued an order forbidding USIA enterprises to accept as compensation any products similar to those manufactured by USIA firms. As a result of this order the A/O Avtovelo Department cannot accept the shot glass which M6gurd N.V., Budapest, Szefu utca 5, recently offered as payment for five Austro-Fiat trucks and an unknown number of hydraulic dump trucks. As it now stands A/O Avtovelo officials will probably have to settle for Hungarian foodstuffs if they intend to do business with Hungarian firms. (U)

Dismantling

7. The Soviets have resumed dismantling operations at the Hirtenberger Patronenfabrik plant. USIA employees have learned that several hundred machines are to be scrapped in accordance with a Moscow order which Tikhomirov received from the Hotel Imperial sometime in January 1950.

Soviet Orders

8. Jener Werkzeug- u. Werkzeugmaschinenfabrik Ing. Frank & Co. has completely overhauled and modernized 20 twist drill grinding machines which USIA received from the Soviet Union several months ago. As yet the Soviets have not accepted delivery of these machines which are now being held in a Juschmeschtrans warehouse.

Prospective USIA Customers

- a. During the past three weeks A/O Avtovelo Sales and Purchasing Office has received the following offers:
  - a. Heinrich Heitz & Co., Vienna, Goldschmidgasse 10, has asked A/O Avtovelo to quote its prices in pounds sterling f.o.b. European ports of loaded motors, narrow-gauge Diesel locomotives, winches, mixing equipment, steamrollers, electrical units, tools and parts. Heitz desires these commodities for shipment to the Far East.
  - b. "Ostex", Import- und Export G.m.b.H., Vienna VI, Theobaldgasse 19, has advised A/O Avtovelo that it is interested in purchasing Diesel motors for shipment to Argentina.
  - c. Dr. Schwimmer, Vienna IX, Ungargasse 12/6, wishes to purchase 50 buses, trucks, and Diesel motors for trucks on behalf of the Meier Balass firm in Teheran. (U)
  - d. J. M. Proschek, Vienna XV, Brucknerstrasse 2, has informed A/O Avtovelo that he would like to be sole representative of Avtovelo products in the Western provinces of Austria.

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